



MEMORANDUM

To: Mayor and Aldermen
From: Michael B. Brown, City Manager
Date: May 21, 2009
Re: Energy Efficiency and Conservation Block Grant Program


The Energy Efficiency and Conservation Block Grant Program (EECBG) was established through the signing of the American Recovery and Reinvestment Act (ARRA) of 2009. The EECBG Program is managed by the Department of Energy (DOE) and includes the provision of formula-based grants to states, units of local government, and tribal governments for projects related to energy conservation, environmental sustainability, and economic recovery.

The City of Savannah is eligible for \$1,368,300 in formula-based funding for the EECBG Program. Award amounts were determined based on population size; localities are not guaranteed the funding for which they are eligible. Prior to receiving any funding, all eligible organizations are required to submit to the DOE an extensive application that includes a work plan, energy efficiency and conservation strategy, budget justification document, and a financial management assessment.

Due to Savannah's ongoing proactive approach to environmental sustainability, we are well-positioned to apply for and receive the full amount of formula-based funding for which we are eligible. Steps taken through our Thrive Initiative, such as conducting energy audits on municipal facilities and adopting an emissions reduction target, have prepared us to make well-informed decisions on how best to use these funds. Applications for the EECBG Program are due June 25. City staff is working to complete the application, which currently includes the following projects:

Energy Efficiency Revolving Loan Program

According to the EECBG Funding Opportunity Announcement, units of local government may use up to \$250,000 in EECBG funds for the establishment of a




revolving loan program. Revolving loans are designed as a sustainable funding source for investment in energy efficient technology and equipment. Initial monetary investments in technology and equipment are repaid through resulting long term energy savings. As these investments are repaid, funds will become available to "loan" to future energy saving projects.

The City of Savannah plans to apply for the full \$250,000 permitted by the DOE to establish a revolving loan program that will fund energy efficiency retrofits to municipally owned facilities. If funding is awarded, we plan to use the initial \$250,000 to implement the recommendations from the energy audits conducted by Georgia Tech on City Hall, Broughton Municipal Building, and the Gamble Building. Most of these recommendations have a return-on-investment period of less than one year. As the funds are replenished, various City departments will be able to apply for revolving loan funds for additional energy efficiency-related upgrades to City facilities.

Datacenter Relocation and Upgrades

The City of Savannah plans to relocate its existing Information Technology (IT) datacenter from the Broughton Municipal Building to the Civic Center. The proposed move will provide a number of major benefits, including enhanced energy efficiency and reducing the susceptibility of our computer network and critical hardware from hurricanes and other disasters. Our new datacenter will save the City of Savannah several hundred thousand dollars a year in energy costs, and will be better positioned in the Civic Center—our Emergency Operations Coordinating Center- to meet our technology needs during major disasters.

The proposed move includes new hardware, such as a high-efficiency chilled water air handling system for cooling IT equipment. Technology upgrades will more than double the City's datacenter efficiency from its current rating of 35.6% to an efficiency rating of 73.7%. If our application is successful, we will be allocating \$353,000 of our EECBG funds to the datacenter project. The total cost of the datacenter relocation and technology upgrade is approximately \$970,000. Once the relocation has taken place and all technology upgrades are installed, the City of Savannah will have one of the greenest datacenters in Georgia.



Visitor Center Improvements

The Visitor Center on MLK is a municipally-owned facility that houses the Convention and Visitor's Bureau's Visitor Information Center, the Savannah History Museum, administrative offices for the Coastal Heritage Society, as well as three retail facilities and two food establishments.

The facility is housed in a historic train depot, comprising approximately 40,000 square feet. In recent decades, deterioration at the facility has threatened the utility and integrity of the site. In response to these declining conditions, an assessment was conducted in 2007 by a licensed engineer to determine the improvements necessary to restore and improve the site. Following the completion of this assessment, the City of Savannah Tourism and Film Services Department, in partnership with the Coastal Heritage Society, created a master plan for the site that includes both exterior and interior renovations.

The City of Savannah has already made major strides in the implementation of the master plan by investing in exterior renovations to the site. These ongoing renovations include the installation of a new roof, the repointing of historic exterior bricks and the replacement of several windows. These investments have dramatically improved the stability of the structure and have reduced energy consumption at the facility.

Funding from the EECBG program would complement the work that is currently underway at the Visitor Center site. The City of Savannah plans to allocate \$765,300 in EECBG funds for interior mechanical improvements. A small portion of this amount will be used to pay Georgia Tech to conduct an energy audit of the facility; the remaining funds will be used to make much-needed mechanical improvements to the aging HVAC and lighting system on the site.

Tourism is a \$1.18 billion industry in Savannah; providing approximately 30,000 jobs in our community. The Visitor Center on MLK is one of the first stops tourists make when visiting our City. Improvements made to this facility will help sustain our flourishing tourism industry and provide us with a great venue to highlight investments made by the City of Savannah and educate the public on environmental sustainability and energy efficiency.



Conclusion

Every project included in the City of Savannah's EECBG application was planned long before the issuance of the ARRA; funding through the EECBG Program will serve to ensure the timely completion of these projects that would have otherwise been put on hold due to the current economic recession. Each project applied for will significantly reduce energy consumption in the City; and help us meet our 15% emission reduction target by the year 2020.